

**AGREEMENT
FOR PURCHASE AND SALE
OF CERTAIN ASSETS AND REAL ESTATE,
ASSIGNMENT OF EASEMENTS,
LEASES AND LICENSES, AND
CREATION OF EXCLUSIVE SERVICE TERRITORIES

VILLAGE OF RANTOUL, ILLINOIS
and
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY**

PURCHASE and SALE AGREEMENT

THIS PURCHASE and SALE AGREEMENT (the "Agreement") is made and entered as of this ____ day of _____, 2003, by and between ***CENTRAL ILLINOIS PUBLIC SERVICE COMPANY, d/b/a AmerenCIPS*** ("Seller") and ***VILLAGE OF RANTOUL, ILLINOIS***, an Illinois municipal corporation ("Buyer").

WITNESSETH:

WHEREAS, Buyer presently owns and operates an electric distribution system serving customers within the existing limits of the Village of Rantoul;

WHEREAS, Seller presently owns and operates an electric distribution system (the "System") serving certain customers outside the existing limits of the Village of Rantoul in the area designated as "Territory A" and described in Exhibit A attached hereto;

WHEREAS, Buyer desires to acquire and operate the System and to furnish electric service to the Territory A customers and area in conjunction with its existing operations;

WHEREAS, the parties desire to expeditiously effect the provisions of this Agreement as to the customers and the System situated in Territory A;

WHEREAS, Buyer and Seller have reached an agreement, and Seller desires to sell and Buyer desires to purchase the System for said purpose;

WHEREAS, the parties desire that, effective upon closing, Territory A shall become the exclusive service territory of Buyer; and

WHEREAS, the Illinois Municipal Code authorizes electric utilities and municipal electric utilities to agree on exclusive service territories subject to approval by the Illinois Commerce Commission (the "Commission");

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

I. Agreement to Purchase and Sell.

Buyer agrees to purchase the System from Seller at the Closing (as hereinafter defined) upon the terms and conditions hereinafter set forth and Seller, upon such terms and conditions, agrees to sell the System to Buyer at the Closing.

II. Description of the System.

The System to be purchased by Buyer and sold by Seller shall consist solely of the items set forth on Exhibit B, together with any and all applicable easements or right-of-way grants. Seller expressly excepts and reserves the right and/or authority to furnish service to any and all consumers now or hereafter located in Territory A pursuant to any statutory or contractual rights or obligations now or hereafter existing in the event Buyer ceases to own or operate a municipal electric distribution system.

III. Closing.

(A) The closing shall take place within fifteen (15) business days after final Commission approval, unless the parties mutually agree otherwise (the "Closing"). The Closing shall take place at such location as the parties mutually agree.

(B) At the Closing:

(1) Seller will, upon due performance by Buyer of its obligations under the Agreement, deliver to Buyer:

- (a) such good and sufficient deeds, bills of sale, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to Buyer's counsel, as shall be required or as may be appropriate in order effectively to vest in Buyer all of Seller's right, title and interest in and to the System; and,
- (b) copies of all of the files, documents, papers, books of

account, customer account and service records and other records pertaining to the maintenance of the System other than any records reasonably needed by Seller, which shall be identified by Buyer and copied at Buyer's expense prior to the Closing;

(2) Buyer will, upon due performance by Seller of its obligations hereunder:

- (a) deliver to Seller a check in payment of the Purchase Price (as hereinafter defined);
- (b) deliver to Seller an instrument, in form and substance satisfactory to Seller, assuming the obligations of Seller which Buyer agrees to assume; and,
- (c) deliver to Seller, in form and substance satisfactory to Seller, an executed Verified Joint Petition To Establish Exclusive Service Territory for filing with the Illinois Commerce Commission.

IV. Purchase Price.

The purchase price shall be Two Thousand Four Hundred Forty Nine Dollars (\$2,449.00) payable in cash at the Closing.

V. Representations, Warranties and Agreements.

(A) Seller represents, warrants and agrees that:

- (1) Seller is and at the Closing will be a public utility duly organized and existing and in good standing under the laws of the State of Illinois;
- (2) prior to the Closing, Seller will take all necessary action to authorize the execution, delivery and performance on its part of this Agreement, and the performance hereof by it will not be in contravention of the laws of the State of Illinois. Seller will adopt all corporate resolutions necessary to authorize sale of the System;
- (3) prior to the Closing, Seller will operate and maintain the System as a going concern, making such repairs and replacements as may be necessary in the usual and regular course of business, and Seller will not sell or otherwise dispose of any part of the System except

such part or parts as may be retired from service in the ordinary course of business;

- (4) Buyer or Buyer's representatives shall be permitted to enter upon and/or inspect the System at all reasonable times for the purpose of making surveys and other inspections. Seller shall provide Buyer, at Buyer's expense, with true copies of all documents pertaining to this transaction reasonably requested by Buyer;
 - (5) there are not pending or threatened actions at law or suits in equity of any nature involving the System;
 - (6) Seller has, and at the Closing will have, all necessary permits, franchises, licenses and easements (including sufficient rights to access) for the System and in the Area; the plant and equipment of Seller have been installed within the easements relating thereto or upon properties owned by Seller and in accordance with any necessary permits or licenses;
 - (7) the performance of the transactions contemplated by this Agreement by Seller will not be in contravention of its charter or the laws of the State of Illinois or any contract or agreement to which Seller is a party or subject;
 - (8) the Agreement will be a legal and binding obligation of Seller, enforceable in accordance with its terms; and,
 - (9) the System transferred to Buyer are being sold by Seller "AS IS" and "WHERE AT" without any representation or warranty, express or implied, including, without limitation, any warranty of fitness for a particular purpose.
- (B) Buyer represents, warrants and agrees that:
- (1) Buyer is and at the Closings will be an Illinois municipal corporation duly organized and existing and in good standing under the laws of the State of Illinois;
 - (2) prior to the Closings, Buyer will take all necessary action to authorize the execution, delivery and performance on its part of this Agreement, and the performance hereof by it will not be in contravention of the laws of the State of Illinois. Buyer will adopt all ordinances necessary to authorize purchase of the System and Seller's right to utilize Buyer's streets, alleys and public ways as hereinafter provided;

- (3) the performance of the transactions contemplated by this Agreement by Buyer will not be in contravention of its charter or the laws of the State of Illinois or any contract or agreement to which Buyer is a party or subject;
- (4) the Agreement will be a legal and binding obligation of Buyer, enforceable in accordance with its terms;
- (5) Buyer represents and warrants to Seller that Buyer will establish a rate for electric service in Territory A which is no greater than the rates currently in effect as charged by Seller and that Buyer will maintain such rates until at least December 31, 2005; and,
- (6) Buyer will indemnify and hold Seller harmless for any and all claims, suits, or causes of action of any type or kind whatsoever, arising out of Buyer's ownership or operation of the system after closing;
- (7) Buyer will provide Seller, as soon as reasonably practicable after Closing, a primary metering point acceptable to Seller, together with metering current transformers, potential transformers, and other associated equipment as may be reasonably required in accordance with accepted engineering practices or applicable codes. The voltage at the meter point shall not exceed 13.8KV nominal, line to line. In the event that Seller thereafter requires three-phase service, Buyer will build and/or extend whatever lines necessary to provide such service to Seller at actual cost to Seller, except that Buyer shall bear the actual cost of upgrading the metering structure to three-phase.
- (8) Nothing herein provided shall prevent Seller from continuing to furnish electric service to existing or new customers in areas outside Buyer's now-existing municipal boundaries or outside Territory A described herein;
- (9) Buyer expressly acknowledges and agrees that Seller has heretofore erected and maintained electric transmission and distribution lines and associated facilities within Buyer's municipal boundaries, and Buyer hereby grants to Seller, for a period of fifty (50) years from the effective date of this Agreement, the right to operate, maintain or reconstruct same as Seller may deem necessary in accordance with Seller's customer or system requirements at such existing locations upon, over, along and across Buyer's streets, alleys and public places;

- (10) The Agreement will be a legal and binding obligation of Buyer under the Illinois Municipal Code, other applicable state laws and Buyer's own ordinances enforceable in accordance with its terms;
- (11) Upon approval of the parties' Joint Petition to Establish Exclusive Service Territory by the Commission, Buyer undertakes to provide and furnish all electric service to any and all existing or future customers in the area depicted as Territory A on Appendix I, and to maintain and continue said electric service until such time as Buyer ceases to own or operate a municipal electric distribution service.

VI. Risk of Loss.

If, prior to the Closing, any material part of the respective System shall be damaged, destroyed or substantially adversely affected by storm, fire, flood, explosion, act of God, or other cause, Seller shall effect such repairs as are necessary to restore the System to its existing "AS IS" condition. In the event Seller incurs costs exceeding Two Thousand Dollars (\$2,000.00) in effecting said repairs, and Seller's efforts enhance or increase the value of the System, Seller shall be entitled to an upward adjustment in the Purchase Price in an amount equal to Seller's actual costs in excess of Two Thousand Dollars (\$2,000.00), but in any event, not to exceed Two Thousand Five Hundred Dollars (\$2,500.00). In the event that the estimated cost of any repairs necessary to restore reasonable service levels exceeds Two Thousand Five Hundred Dollars (\$2,500.00), Seller will promptly notify Buyer's Mayor or Superintendent of Utilities and seek Buyer's advance agreement to adjust the Purchase Price upward to reflect Seller's actual costs. In the event that the parties cannot agree on the amount of an upward adjustment in the Purchase Price, either party shall have the right to terminate the Agreement.

VII. Regulatory Approvals.

All obligations of Seller regarding Territory A are subject to the Commission's approval of this transaction. The approval must be consistent with the terms of this Agreement and Seller reserves the right to insist that the regulatory order be final and non-appealable. Upon receipt of final Commission approval hereof, and effective upon closing, Territory A shall become Buyer's exclusive service territory.

VIII. Seller's Service Accounts/Interim Service.

All accounts receivable of Seller for unpaid bills rendered prior to the Closing shall remain the property of Seller. As near as possible to the Closing but not later than seven (7) business days after the Closing, Seller shall read and remove all customer meters and shall bill all customers for amounts due Seller. Buyer shall install its own meter and begin furnishing electric power to all affected customers as soon as practicable after removal of Seller's meter. During any interim period after Closing, but prior to Buyer's commencement of delivery of service, Seller shall continue to furnish electric power to all affected customers. Seller shall be solely responsible for collecting amounts due and Buyer shall have no liability to Seller for amounts not collected.

IX. Conditions to Buyer's Obligations.

All obligations of the Buyer under this Agreement are subject to the performance by Seller of its obligations to be performed hereunder at or prior to the Closing, to the continued accuracy in all material respects of the representations and warranties of Seller contained in this Agreement and Seller shall have delivered to Buyer copies of all blueprints, plans, engineers'

reports, surveys, plats, property records and other information in possession of Seller which would reasonably aid Buyer in operation of the System.

X. Additional Documents.

If at any time after the Closing it shall appear that additional bills of sale, deeds, assignments or other papers are reasonably necessary to complete or perfect the transfer of any part of the System to the Buyer, Seller agrees to execute such additional bills of sale, quit claim deeds, assignments or other papers upon the written request of Buyer.

XI. Nature and Survival of Representations and Warranties; Indemnification

- (A) All statements contained in any certificate or other instrument furnished or to be furnished by or on behalf of the parties hereto pursuant to this Agreement or in connection with the transactions contemplated herein, shall be deemed their respective representations and warranties. All representations and warranties, whether in this Agreement or in any such certificate or other instrument, shall survive the Closing and consummation of the transactions contemplated herein.
- (B) Buyer shall indemnify, defend and hold harmless Seller in respect of all losses, damages, claims, liabilities, costs or expenses accruing or resulting from any misrepresentation, breach or failure of any representation, warranty, or covenant of Buyer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Seller by Buyer.
- (C) Seller shall indemnify, defend and hold harmless Buyer in respect of all losses, damages, claims, liabilities, costs or expenses accruing or resulting from any misrepresentation, breach or failure of any representation, warranty or covenant of Seller under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Buyer by Seller.
- (D) If any claim be made or suit brought against a party for injury, loss, damage, compensation or any other right, demand, or claim under this Agreement for which such party may be entitled to indemnification hereunder, such party shall promptly notify the party from whom indemnification may be sought and shall keep such party informed in a timely manner as to all developments with respect thereto.

XII. Waivers.

Buyer may extend the time for or waive the performance of any of the obligations of Seller or waive any inaccuracies in the representations or warranties or in the agreements of, or conditions applicable to Seller contained in this Agreement. Seller may take similar action with respect to the obligations, representations, warranties or agreements of, or conditions applicable to Buyer under this Agreement. Any such waiver shall be in writing and signed by an authorized officer of Buyer or by an authorized officer of Seller, as the case may be.

XIII. Seller's Duties.

AmerenCIPS will provide for the removal of the three phase overhead line (poles and conductor) from Route #136 (0+00) to Crane Drive (41+34).

XIV. General

- (A) ***Successors and Assigns.*** This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties to this Agreement.
- (B) ***Notices.*** All notices, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered or mailed, first class postage prepaid,:

To Seller at: AmerenCIPS
Attn: Regulatory Services Department
607 East Adams Street
Springfield, Illinois 62739

To Buyer at: Village of Rantoul
Attn: Mr. Greg Hazel
333 South Tanner
P. O. Box 38
Rantoul, IL 61866

or at such other address as either party may have furnished to the other party in writing.

- (C) **Entire Agreement of Parties.** This Agreement constitutes the entire agreement of Buyer and Seller with respect to the subject matter hereof, superseding all negotiations, prior discussions and any preliminary agreements. This Agreement cannot be changed except by written agreement executed by the parties hereto.
- (D) **Law of Illinois to Govern.** This Agreement shall be governed as to its interpretation and construction by the laws of the State of Illinois.
- (E) **Exhibits and Schedules.** The Exhibits and Schedules attached hereto and the other documents to be delivered pursuant hereto are hereby made a part of this Agreement as if set forth in full herein.
- (F) **Expenses.** Whether or not the transactions contemplated herein are consummated, each party shall pay its own expenses and costs incurred in negotiating, preparing, closing and carrying out the Agreement and the transactions contemplated herein.

IN WITNESS WHEREOF, Seller has caused this Agreement to be executed in its corporate name by one of its officers, thereunto duly authorized, and Buyer has executed this Agreement as of the day and year first above written.

CENTRAL ILLINOIS PUBLIC SERVICE
COMPANY d/b/a AmerenCIPS

By: Craig D. Nelson
Its: Vice President

Attest: J. A. Lischow
Its: Assistant Secretary

VILLAGE OF RANTOUL, ILLINOIS

By: Thas C. Williams
Its: MAYOR

Attest: Donald C. Kyle
Its: VILLAGE CLERK

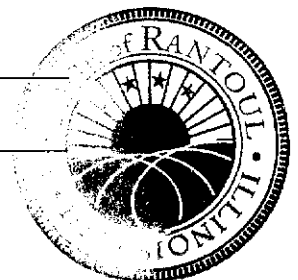


EXHIBIT A

Territory A

Parts of Sections 23, 25, 26, 35 and 36 in Township 22 North, Range 9 East, Champaign County, Illinois, more particularly depicted on Appendix I attached hereto.

EXHIBIT B

For the Residential customer on the north side of Crane Drive (Pole #20) - The existing single phase overhead line, including seven (7) poles, single phase overhead conductor (including neutral), downguys and service drop.

Second Residential Customer (Pole #31) - One (1) pole, downguy and service drop. Rantoul will build a single phase transformer station on the east side of Maplewood Drive.

Third Customer (Pole #32) - Three phase overhead tap, crossarms and downguys. The Village will install a new deadend pole, downguy, power bank, service drop and meter.

Three phase overhead conductor and neutral from Crane Drive (Pole #20 and station 41+34) to the third (3rd) electric customer (Pole #32 and station 67+42) and the single phase overhead conductor and neutral from (Pole #32 and station 67+42) to County Road 3200 (105+33).